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PS/Secretary of State (L&B) - M

cc PS/Dr Boyson (L&B) - M

PS/PUS (L&B) - M

PS/Mr Bloomfield - M

Mr Brennan

Mr Fell - M

Mr Tate - M

Mr Merifield - M

Mr Reeve - M

Mr Bickham



2 Mr Caruth



## DISINVESTMENT FROM THE USA

Thank you for your note of 31 January in which you recorded that the Secretary of State had asked what were the specific points of difficulty in either implementing or amending the McBride Principles.

2. We have consulted the IDB and the DED again about the possibility of implementing the principles as they are. Setting aside the tactical arguments against this course, they are firmly of the view that to do so would put an unreasonable and unattainable obligation on companies in Northern Ireland and it would go against the basis of our fair employment legislation. The result could be that American companies at present in Northern Ireland would be tempted to pull out and put their investment elsewhere; and future investment would be deterred.

3. The McBride Principles are at Annex A. Our detailed objections to them are:

- (a) Principle 1. It is ambiguous. It may well require the use of quotas or some other sort of preferential treatment to the minority. If so it would be contrary to Section 60 of the Fair Employment Act.

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If not, it still starts the wrong way round - our objective is full equality of opportunity of all levels - not parity of representation at all costs.

- (b) Principle 2. This is unreasonable and unrealistic. While they might reasonably be expected to provide protection at work (and indeed generally do so) the protection of their employees while travelling would be an unacceptable commitment. The principle as drafted is also discriminatory. It refers only to minority employees: one of the worst incidents in South Armagh was the murder in 1974 by Republicans of ten Protestant workmen going to work on a works bus.
- (c) Principle 3. This is politically difficult. Political and religious emblems are very controversial in Northern Ireland and an outright ban (including, presumably, the Union Jack) could cause difficulty. We would much prefer that when necessary they should be removed by the agreement of all concerned.
- (d) Principles 4, 7 and 9. These proposals are not necessarily objectionable provided that they do not create a lack of opportunity for other applicants. This is an important reservation because what we are seeking at all times is equal opportunity for con-

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sideration for jobs, training and promotion and not positive discrimination in appointments.

- (c) Principles 5, 6 and 8. These are generally unexceptionable and are already fully incorporated in the work of the FEA.

4. The Secretary of State suggested that we might produce and offer to US companies our own more acceptable redraft of the McBride Principles. A possible reformulation is at Annex B. But we cannot recommend this approach. The arguments relate both to policy and to tactics.

5. The Governments policy is not based on a set of principles but on fair employment legislation and the work of the FEA. We believe these have acted effectively to counter discrimination. A set of principles are no substitute or complement to this approach. Indeed, the work and standing of the FEA could well be set back by such a different approach. It would be difficult not to interpret it as a vote of no confidence in them.

6. There is also the problem of sanctions. The FEA has the sanction of the law. The McBride Principles propose the sanction of disinvestment. This is their most damaging aspect. We believe disinvestment is a wholly inappropriate way of encouraging anti-discrimination measures. It was encouraging to see that Mr Spring, the Irish Labour Minister, agreed. Any attempt which appeared to endorse the McBride Principles, however modified, would quickly be interpreted as an endorsement of the sanction of disinvestment. If not, it would soon be dismissed as toothless.

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7. The other main difficulty about modifying the McBride Principles is a tactical one. It could indeed be that they would successfully cut the ground from under the INC. But it is perhaps more likely that they would be interpreted and presented by the INC as an endorsement of their approach. They would soon lead the US companies who attempted to adopt our principles into negotiations with the INC for firming them up. And they would put a special and particular obligation on American companies which, by their very generality, would be difficult to define and which would not be faced by other companies in Northern Ireland or in other investment locations elsewhere in the world. Rather than protecting the American companies, therefore, we would be in danger of leaving them more exposed to pressures from the INC, and more inclined to question their investment in Northern Ireland.

8. These considerations lead us to conclude that we should continue firm and resolute opposition to the McBride Principles and not attempt to water them down. We should, however, offer a reasonable alternative to American companies which is fully complementary to our approach in Northern Ireland and the work of the PEA. This is the FEA's declaration of intent. We believe that American companies should be urged, perhaps by adopting shareholders resolutions, to make more of the fact that they have signed the declaration and are therefore fully sympathetic to the principle and practice of equality of opportunity in employment.

#### 9. Conclusion

I therefore recommend that we continue to brief US companies and US opinion to oppose the INC campaign; that we do so on the basis of the

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extensive efforts which we have made to ensure equality of opportunity in recruitment and employment; and that we encourage those involved in the States to endorse the work of the FEA and not the present or revised formulations of the McBride Principles.

*J. M. Lyon*

J M LYON

//<sup>th</sup> February 1985

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## THE MacBRIDE PRINCIPLES

1. Increasing the representation of individuals from under-represented religious groups in the workforce including managerial, supervisory, administrative, clerical and technical jobs
2. Adequate security for the protection of minority employees both at the workplace and while travelling to and from work.
3. The banning of provocative religious or political emblems from the workplace
4. All job openings should be publicly advertised and special recruitment efforts should be made to attract applicants from under-represented religious groups.
5. Layoffs, recalls, and termination procedures should not, in practice, favour particular religious groupings
6. The abolition of job preservation apprenticeship restrictions and differential employment criteria, which discriminate on the basis of religion or ethnic origin
7. The development of training programmes that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of the existing programmes and the creations of new programmes to train, upgrade and improve the skills of minority employees.
8. The establishment of procedures to assess, identify and actively recruit minority employees with potential for further advancement.
9. Appointment of a senior management staff member to oversee the company's Affirmative action efforts and the setting up of a time-table to carry out affirmative action.



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THE McBRIDE PRINCIPLES - Revised

1. Increasing the representation of individuals from under-represented religious groups in the workforce including managerial, supervisory, administrative, clerical and technical jobs by ensuring that they enjoy equality of opportunity, but without preferential treatment of any group.
2. Adequate security for the protection of all employees at the workplace.
3. The removal of religious or political emblems from the workplace with the agreement of management and unions.
4. All job openings should be publicly advertised and special recruitment efforts should be made to attract applicants from under-represented religious groups provided that the arrangements do not imply a lack of opportunity for other applicants.
5. Layoffs, recalls, and termination procedures should not, in practice, favour particular religious groupings.
6. The abolition of job preservation apprenticeship restrictions and differential employment criteria, which discriminate on the basis of religion or ethnic origin.
7. The development of training programme that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of the existing programmes and the creations of new programmes to train, upgrade and improve the skills of minority employees provided that the arrangements do not lead to a lack of opportunity for other trainees.
8. The establishment of procedures to assess, identify and actively recruit minority employees with potential for further advancement provided that these procedures do not lead to a lack of opportunity for other employees.
9. Appointment of a senior management staff member to oversee the company's affirmative action efforts and the setting up of a time-table to carry out affirmative action.